

REMARKS/ARGUMENTS

Reconsideration of this application is requested. Claims 1-4 and 6-15 are in the case.

I. THE ANTICIPATION REJECTION

Claims 1-7, 9, 10 and 14 stand rejected under 35 U.S.C. §102(b) as allegedly anticipated by Litman. That rejection is respectfully traversed.

In response, and without conceding to the merit of the Examiner's rejection, claim 1 has been amended to incorporate the subject matter of claim 5. Claim 5 has been cancelled without prejudice. Claim 1 now specifies that two or more bits of data are stored by the or each element. It is believed that claim 1 as amended is not anticipated by Litman.

The Examiner has stated on page 2 of the Action that Litman (referring to column 10, lines 1-55) discloses two or more bits of data. While it is true that Litman contains a reference to bits of information (column 6, lines 14-16), Litman requires two elements to provide two bits of information. Litman then describes how it is possible to make more complex and secure systems by providing more elements, but does not describe that each element provides two bits of information. The discussion at column 10 is somewhat of a generalization of the various features that are possible for the magnetic elements, as opposed to being selected for providing at least two bits of data per magnetic element.

For all of the above reasons, it is believed that the invention as now claimed is not anticipated by Litman. Withdrawal of the outstanding anticipation rejection based on that reference is accordingly respectfully requested.

II. THE OBVIOUSNESS REJECTION

Claims 8 and 15 stand rejected under 35 U.S.C. §103(a) as allegedly unpatentable over Litman in view of Yamashita. That rejection is respectfully traversed.

Claims 8 and 15 are each dependent on claim 1 and thereby incorporate the subject matter of claim 1, including the newly cited feature that two or more bits of data are stored by the or each element. Litman does not describe or suggest this feature, for the reasons detailed above, Yamashita does not cure this deficiency. Yamashita is relied upon for the alleged disclosure for the use of one or more elements arranged to exhibit a different coercivity. Other than that alleged disclosure, Yamashita is irrelevant so far as the presently claimed invention is concerned.

In light of the above, it is clear that one of ordinary skill would not have been motivated to arrive at the presently claimed invention as set forth in claims 8 and 15 based on the combined disclosures of Litman and Yamashita. Absent any such motivation, a *prima facie* case of obviousness has not been generated in this case against the subject matter of those two claims. Reconsideration and withdrawal of the outstanding obviousness rejection are accordingly respectfully requested.

The undersigned wishes to acknowledge a telephone discussion with the Examiner in relation to this case, held on December 8, 2004. The Examiner was unable to access the file on that data accordingly it was not possible to discuss in any detail the

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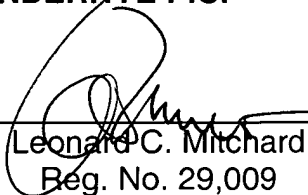
outstanding rejections. The Examiner is thanked for her attempts to retrieve this case for discussion.

Favorable action on this application is awaited.

Respectfully submitted,

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By: _____


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